GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

STARRED QUESTION NO:9
ANSWERED ON:24.07.2006
REVIVAL PLAN FOR FERTILIZER INDUSTRY .
Nikhil Kumar Shri

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a)Whether the Government has recently announced a revival plan for fertilizer industry and new pricing mechanism for phosphatic potassic fertilizers; and

(b) If so, the details thereof?

Answer

THE MINISTER OF CHEMICALS & FERTILIZERS AND MINISTER OF STEEL(SHRI RAMVILAS PASWAN)

(a) & (b): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) AND (b) OF THE LOK SABHA STARRED QUESTION NO. 9 TO BE ANSWERED ON 24.7.2006

(a) & (b) : Government is taking suitable measures to explore the possibilities of revival of sick/closed fertilizer Public sector undertakings. With regard to new pricing mechanism for phosphatic and potassic fertilizers it is stated that the policy for the Subsidy/Concession of Decontrolled P&K fertilizers announced for the years 2003-04 to 2005-06 has been extended for a further period of one year i.e. up to 31.3.2007 with the slight modification in method of adopting the price of phosphoric acid for working out concession rate for phosphatic fertilizers. Earlier the price of phosphoric acid was determined based on the price of phosphoric acid negotiated by the Phosphoric Acid consumer Group (PAGC) annually. However, for the year 2006-07 the price of phosphoric acid will be derived based on the formula recommended by Expert Group constituted to examine the pricing issues of phosphatic fertilizers. This phosphoric acid formula is based upon independent transparent parameters like international prices of DAP, Ammonia and freight.